BYLAWS OF PECAN VILLAS OWNER'S ASSOCIATION

ARTICLE 1

DEFINITIONS

Project Defined

1.01. *Project* shall mean all of the real property located in the City of Fredericksburg, County of Gillespie, State of Texas, including the land; all improvements and structures on the land; and all easements, rights, and appurtenances to the land, more particularly described as follows: lot 10A-R of the Resubdivision of Lot 10 of the Dechert Addition, a subdivision in Gillespie County, Texas, according to the map or plat of record Vol. 5, Page 120 of the Plat Records of Gillespie County, Texas.

Declaration Defined

1.02. *Declaration* shall mean the Declaration applicable to the Project and filed in the Office of the County Clerk of Gillespie County, State of Texas, on the _____ day of _____, 2019 in Document No. _____of the Official Public Records of Gillespie County, Texas, including any amendments to the Declaration as may be made from time to time in accordance with the terms of the Declaration.

Other Terms Defined

1.03. Other terms used in these Bylaws shall have the meaning given them in the Declaration, incorporated by reference and made a part of these Bylaws.

ARTICLE 2

APPLICABILITY OF BYLAWS

Corporation

2.01. The provisions of these Bylaws constitute the Bylaws of the nonprofit corporation known as Pecan Villas Owners Association, referred to as the "Association".

Project Applicability

2.02. The provisions of these Bylaws are applicable to the Project as defined in Paragraph 1.01 of these Bylaws.

Personal Application

2.03. All present or future owners, present or future tenants, their employees, or other persons that use the facilities of the Project in any manner are subject to the regulations set forth in these

Bylaws. The acquisition or rental of any of the Units of the Project, or the act of occupancy of any of the Units, will signify that these Bylaws are accepted and ratified and will be complied with by the purchaser, tenant, or occupant.

ARTICLE 3

OFFICES

Principal Office

3.01. The principal office of the Association shall be located at 139 Golden Sunset Trail, in the City of Fredericksburg, County of Gillespie, State of Texas, 78624.

Registered Office and Registered Agent

3.02. The Association shall have and shall continuously maintain in the State of Texas a registered office and a registered agent, whose office shall be identical with the registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office of the corporation, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE 4

QUALIFICATIONS FOR MEMBERSHIP

Membership

4.01. The membership of the Association shall consist of all of the Owners of the Units within the Project.

Proof of Membership

4.02. The rights of membership shall not be exercised by any person until satisfactory proof has been furnished to the Secretary of the Association that the person is qualified as a Member. Such proof may consist of a copy of a duly executed and acknowledged deed or title insurance policy evidencing ownership of a Unit in the Project. Such deed or policy shall be deemed conclusive in the absence of a conflicting claim based on a later deed or policy.

No Additional Qualifications

4.03. The sole qualification for membership shall be the ownership of a Unit in the Project. No initiation fees, costs, or dues shall be assessed against any person as a condition of membership except such assessments, levies, and charges as are specifically authorized under the Articles of Incorporation or the Declaration.

Certificates of Membership

4.04. The Board of Directors may provide for the issuance of certificates evidencing membership in the Association that shall be in such form as may be determined by the Board. All certificates evidencing membership shall be consecutively numbered. The name and address of each Member and the date of issuance of the certificate shall be entered on the records of the Association and maintained by the Secretary at the registered office of the Association.

ARTICLE 5

VOTING RIGHTS

Voting

5.01. Voting rights shall be allocated among the Members on the basis of the formulas and allocations set forth in the Declaration.

Proxies

5.02. At all meetings of Members, each Member may vote in person or by proxy. All proxies shall be in writing and filed with the Secretary of the Association. Every proxy shall be revocable and shall automatically cease on conveyance by the Member of the Member's Unit or on receipt of notice by the Secretary of the death or judicially declared incompetence of such Member. No proxy shall be valid after eleven (11) months from the date of its execution, unless otherwise specifically provided in the proxy.

Quorum

5.03. The presence, either in person or by proxy, at any meeting, of Members entitled to cast at least sixty-six and two-thirds percent (66.667%) of the total voting power of the Association shall constitute a quorum for any action, except as otherwise provided in the Governing Instruments. In the absence of a quorum at a meeting of Members, a majority of those Members present in person or by proxy may adjourn the meeting to a time not less than five (5) days or more than thirty (30) days from the meeting date.

Required Vote

5.04. The vote of the majority of the votes entitled to be cast by the Members present, or represented by proxy, at a meeting at which a quorum is present shall be the act of the meeting of Members, unless the vote of a greater number is required by statute or by the Declaration, by the Articles of Incorporation of this Association, or by these Bylaws.

Cumulative Voting

5.05. Cumulative voting is not permitted.

ARTICLE 6

MEETINGS OF MEMBERS

Annual Meetings

6.01. The first meeting of the Members of the Association shall be held within forty-five (45) days after the closing of the sale of the Unit that represents the fifty (50th) percentile interest. After the first meeting, the annual meeting of the Members of the Association shall be held on second Tuesday of June of each succeeding calendar year. If the day for the annual meeting of the Members is a legal holiday, the meeting shall be held at the same hour on the first day following that is not a legal holiday or a Saturday or Sunday.

Special Meetings

6.02. Special meetings of the Members may be called by the President, the Board of Directors, or by Members representing at least fifty (50) percent of the total voting power of the Association

Place

6.03. Meetings of the Members shall be held within the Project or at a meeting place as close to the Project as possible, as the Board may specify in writing.

Notice of Meetings

6.04. Written notice of all Members' meetings shall be given by or at the direction of the Secretary of the Association or such other persons as may be authorized to call the meeting, by mailing or personally delivering a copy of such notice at least ten (10) but not more than fifty (50) days before the meeting to each Member entitled to vote at the meeting. The notice must be addressed to the Member's address last appearing on the books of the Association or supplied by such Member to the Association for the purpose of notice. The notice shall specify the place, day, and hour of the meeting and, in the case of a special meeting, the nature of the business to be undertaken.

Order of Business

6.05. The order of business at all meetings of the Members shall be as follows:

(a) Roll call.

(b) Proof of notice of meetings or waiver of notice.

(c) Reading of Minutes of preceding meeting.

(d) Reports of officers.

(e) Reports of committees.

(f) Election of directors.

(g) Unfinished business.

(h) New business.

ARTICLE 7

BOARD OF DIRECTORS

Number

7.01. The affairs of this Association shall be managed by a Board of Directors consisting of three (3) persons, all of whom must be Members of the Association. Each Unit owner shall have the right to designate a representative who shall be a member of the Board of Directors.

Term

7.02. At the first meeting of the Association, the Members shall elect the initial Directors who shall hold office until the first annual election of Directors by the Members. After the first meeting of the Association, Directors shall be elected at the annual meeting of the Members and shall hold office for a term of one (1) year and until their successors are elected and qualified.

Removal

7.03. Directors may be removed from office with cause by a majority vote of the Members of the Association.

Vacancies

7.04. In the event of a vacancy on the Board caused by the death, resignation, or removal of a Director, the remaining Directors shall, by majority vote, elect a successor who shall serve for the unexpired term of the predecessor.

Any directorship to be filled by reason of an increase in the number of directors shall be filled by election at an annual meeting of Members or at a special meeting of Members called for that purpose.

Compensation

7.05. With the prior approval of one hundred percent (100%) of the voting power of the Association, a Director may receive compensation in a reasonable amount for services rendered to the Association. A Director may be reimbursed by the Board for actual expenses incurred by the Director in the performance of the Director's duties.

Powers and Duties

7.06. The Board shall have the powers and duties, and shall be subject to limitations on such powers and duties, as enumerated in the Governing Instruments of the Project.

ARTICLE 8

MEETINGS OF DIRECTORS

Regular Meetings

8.01. Regular meetings of the Board of Directors shall be held annually at a place within the Project and at a time as may be fixed from time to time by resolution of the Board. Notice of the time and place of regular meetings shall be posted at a prominent place or places within the Common Elements.

Special Meetings

8.02. Special meetings of the Board of Directors shall be held when called by written notice signed by the President of the Association or by any Director other than the President. The notice shall specify the time and place of the meeting and the nature of any special business to be considered. Notice of a special meeting must be given to each Director not less than three (3) days or more than fifteen (15) days prior to the date fixed for such meeting by written notice either delivered personally, sent by mail, or sent by telegram to each Director at the Director's address as shown in the records of the Association. A copy of the notice shall be posted in a prominent place or places in the Common Elements of the Project not less three (3) days prior to the date of the meeting.

Quorum

8.03. A quorum for the transaction of business by the Board of Directors shall be a majority of the number of Directors constituting the Board of Directors as fixed by these Bylaws.

Voting Requirement

8.04. The act of the majority of Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors unless any provision of the Declaration, the Articles of Incorporation of this Association or these Bylaws requires the vote of a greater number.

Open Meetings

8.05. Regular and special meetings of the Board shall be open to all Members of the Association, provided, however, that Association Members who are not on the Board may not participate in any deliberation or discussion unless expressly authorized to do so by the vote of a majority of a quorum of the Board.

Executive Session

8.06. The Board may, with the approval of a majority of a quorum, adjourn a meeting and reconvene in executive session to discuss and vote on personnel matters, litigation in which the Association is or may become involved, contract negotiations, enforcement actions, other business of a confidential nature involving a Member, and matters requested by the involved parties to remain confidential. The nature of any and all business to be considered in executive session shall first be announced in open session.

ARTICLE 9

OFFICERS

Enumeration of Officers

9.01. The Officers of this Association shall be a President, a Secretary and a Treasurer. The Board of Directors may, by resolution, create such other offices as it deems necessary or desirable.

Professional Management

9.02. The Association officers and Board members shall share the administrative duties of the Board. However, upon the written request of the Owner of either Unit, the Board shall retain a professional management company to perform these duties. The fees charged by the management company shall be paid by the Association and shall be reflected in the Association's dues.

Term

9.03. The Officers of this Association shall be elected annually by the Board of Directors, and each shall hold office for one (1) year, unless the Officer shall sooner resign, be removed, or be otherwise disqualified to serve.

Resignation and Removal

9.04. Any Officer may resign at any time by giving written notice to the Board, the President, or the Secretary. Such resignation shall take effect at the date of receipt of the notice or at any later time specified in the notice. Any Officer may be removed from office by the Board whenever, in the Board's judgment, the best interests of the Association would be served by such removal.

Multiple Offices

9.05. Any two (2) or more offices may be held by the same person, except the offices of President and Secretary.

Compensation

9.06. Officers shall receive such compensation for services rendered to the Association as determined by the Board of Directors and approved by a majority of the voting power of the Association.

ARTICLE 10

PRESIDENT

Duties

10.01. The President shall perform the following duties:

(a) Preside over all meetings of the Members and of the Board.

(b) Sign as President all deeds, contracts, and other instruments in writing that have been first approved by the Board, unless the Board, by duly adopted resolution, has authorized the signature of another Officer.

(c) Call meetings of the Board whenever he or she deems it necessary in accordance with rules and on notice agreed to by the Board. The notice period shall, with the exception of emergencies, in no event be less than three days.

(d) Have, subject to the advice of the Board, general supervision, direction, and control of the affairs of the Association and discharge such other duties as may be required of him or her by the Board.

(e) Prepare, execute, certify, and have recorded all amendments to the Declaration required by statute to be recorded by the Association.

ARTICLE 11

SECRETARY

Duties

11.01. The Secretary shall perform the following duties:

(a) Keep a record of all meetings and proceedings of the Board and of the Members.

(b) Keep the seal of the Association, if any, and affix it on all papers requiring the seal.

(c) Serve notices of meetings of the Board and the Members required either by law or by these Bylaws.

(d) Keep appropriate current records showing the Members of the Association together with their addresses.

(e) Sign as Secretary all deeds, contracts, and other instruments in writing that have been first approved by the Board if the instruments require a second Association signature, unless the Board has authorized another Officer to sign in the place and stead of the Secretary by duly adopted resolution.

(f) Prepare, execute, certify, and have recorded all amendments to the Declaration required by statute to be recorded by the Association.

ARTICLE 12

TREASURER

Duties

12.01. The Treasurer shall have the custody of the Association funds and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Association and shall deposit all moneys and other valuable effects in the name and to the credit of the Association in such depositories as may be designated by the Board of Directors.

The Treasurer shall disburse the funds of the Association as may be ordered by the Board of Directors, taking proper vouchers for such disbursements. The Treasurer shall keep and maintain the Association 's books of account and shall render to the President and Secretary an account of all of his transactions as Treasurer and of the financial condition of the Association and exhibit the books, records and accounts to the President or directors at any time. The Treasurer shall disburse funds for capital expenditures as authorized by the Board of Directors and in accordance with the orders of the President, and present to the President for his attention any requests for disbursing funds if in the judgment of the Treasurer any such request is not properly authorized. The Treasurer shall perform such other duties as may be directed by the Board of Directors or by the President.

ARTICLE 13

BOOKS AND RECORDS

Maintenance

13.01. Complete and correct records of account and minutes of proceedings of meetings of Members, Directors, and committees shall be kept at the registered office of the corporation. A record containing the names and addresses of all Members entitled to vote shall be kept at the registered office or principal place of business of the Association.

Inspection

13.02. The Governing Instruments of the Project, the membership register, the books of account, and the minutes of proceedings shall be available for inspection and copying by any Member of the Association or any Director for any proper purpose at any reasonable time.

ARTICLE 14

GENERAL PROVISIONS

Amendment of Bylaws

14.01. These Bylaws may be amended, altered, or repealed at a regular or special meeting of the Members of the Association by the affirmative vote in person or by proxy of Members representing 100 percent (100%) of the Association. Notwithstanding the above, the percentage of affirmative votes necessary to amend a specific clause or provision shall not be less than the prescribed percentage of affirmative votes required for action to be taken under that clause.

Repair and Maintenance

14.02. If the Owners cannot informally agree upon repair or maintenance issues, upon the written request of the Owner of either Unit, any repair or maintenance issues shall be placed on the agenda of a special meeting of the Board. The special meeting shall be convened not less than 30 days after receipt of the written request for repairs or maintenance. If the Board is not able to agree upon a course of action to resolve the repair or maintenance issues on its agenda, the Board shall authorize the Owners of each Unit to each retain a licensed professional inspection company to inspect the Unit or Units alleged to require repair or maintenance. If the inspection companies cannot agree upon all maintenance and repair issues, they shall collectively name a third-party inspection company. The inspection company representatives shall then reach a consensus or majority decision as to repairs or maintenance. When a decision is reached by the inspection companies, the decision shall be immediately implemented by the Board, provided the Association has sufficient funds on hand to pay for required repairs. If sufficient funds are not on hand, the Board shall approve a special assessment to pay for the required maintenance or repairs. If the required repairs or maintenance are required to ensure the safety of the Owners and their invitees or to preserve a Unit or Units from immediate additional damage, the special assessment shall be due and payable not less than 60 days from the date approved by the Board.

Determination of Assessments

14.03. If the Board cannot agree upon the amount of any assessments, the Board shall retain a professional management company or accounting firm to determine such assessments. If the Board cannot agree upon a management or accounting firm to perform these duties, each Board member shall name a firm of his or her choice and the firm shall be selected by random chance, either by a coin toss or a similar method. In determining the amount of an assessment, the firm selected may consider the immediate financial needs of the Association as well as the need to

fund a “sinking fund” or “escrow account” to accumulate funds for future repairs and maintenance. The Board shall follow the recommendations made to it and set assessments in substantial compliance with such recommendations unless the Board unanimously agrees otherwise.

Enforcement of Declaration, Bylaws, Rules and Regulations

14.04. If an Owner refuses to comply with the terms of the Declaration, the Bylaws or with any rules or regulations promulgated by the Association, upon the request of the Owner of either Unit, the Board shall retain a professional management company to assist in enforcing the Declaration, the Bylaws or any promulgated rules or regulations. If, in the opinion of the other Owners, an Owner continues to persist in refusing to abide by the terms of the Declaration, the Bylaws or properly promulgated rules and regulations, the Owners each agree to attempt to mediate any issues upon which they cannot agree. The mediator shall be selected by agreement or, if the Owners cannot agree upon a mediator, they shall each name a preferred mediator and select the mediator by random choice such as a coin toss or a similar method. If mediation does not resolve all issues upon which the Owners do not agree, the Owners shall submit all unresolved issues to arbitration under the rules of the American Arbitration Association then in effect. Judgment on arbitration awards may be entered by any court with appropriate jurisdiction. The consent or approval of the Association shall not be required to permit an Owner to require mediation or to submit an issue to arbitration. If a matter is submitted to arbitration, the arbitration award shall include a determination as to which party or parties should pay for the cost of arbitration and any legal or related fees incurred by an Owner.

Attestation

14.05. Adopted by the Board of Directors on the _____ day of _____, 2019.

Attest: _____
Secretary